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*TESTIMONY OF  
ATTORNEY GENERAL RICHARD BLUMENTHAL  
BEFORE THE INSURANCE AND REAL ESTATE COMMITTEE  
FEBRUARY 17, 2009*

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I appreciate the opportunity to support House Bill 6446, An Act Concerning Motor Vehicle Repairs.

This legislation clarifies the current prohibition against motor vehicle insurer steering consumers to preferred auto repair facilities by specifically barring the use of financial incentives or negative comments about other repair facilities. The bill also requires an insurance premium discount for motor vehicles that have window etching of the vehicle identification number. Finally, the bill extends Department of Motor Vehicle investigatory and enforcement authority to the new law requiring motor vehicle repairers to notify consumers of their right to choose their repair facility.

Drivers deserve rights and respect when their cars need repair. They own the car, so they should have the right to select the repairer -- without coercive steering or strong arming by their insurer.

Your car, your choice -- ought to be the watchword in auto repair. Consumers deserve to choose where a car is repaired. No insurer should straightjacket or corral consumers, forcing them to use a so-called preferred shop. Insurers use a myriad of coercive methods to skirt our current anti-steering protections, including providing consumers with a "preferred" list of repairers, intimating that other repairers may charge consumers for some of the repairs or may not guarantee or complete the repairs in a timely fashion. Some insurers provide for a reduced deductible if the consumer chooses a preferred facility.

My office has received many complaints over the past years from consumers and auto repair facilities about insurer steering practices. Our discussions with the Insurance Department have been unavailing. The Department interpretation of current law undercuts the prohibition on steering by allowing very unfortunate practices -- insurer incentives and other subtle coercion such as requiring the consumer to bring the motor vehicle to an appraiser who happens to be located at one of the insurer's preferred repair facilities.

House Bill 6446 would specifically prohibit these obvious steps by insurers to circumvent the anti-steering law. I urge the committee to consider deleting "except as provided in a consumer's automobile liability insurance policy" on lines 74 and 75 as that loophole will allow insurers to provide financial incentives as long as they bury the notice of such incentives

somewhere in the insurance policy. Such incentives should be banned unequivocally and without exception.

I urge your favorable consideration of House Bill 6446 with the suggested amendment.